

Memorandum

To: CHAIR AND COMMISSIONERS

Meeting Date: April 26-27, 2006

Reference No.: 2.5d.(1)
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Ross A. Chittenden
Division Chief
Transportation Programming

Ref: **FINANCIAL ALLOCATION FOR PROJECTS THAT EXCEED 20 PERCENT OF
THE PROGRAMMED AMOUNT
RESOLUTION FP-05-78**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the following resolution.

FINANCIAL RESOLUTION:

Resolved that \$12,000,000 be allocated from the Budget Act of 2005, Non-Budget Act Item 2660-801-3008, to provide funds for the project described on the following pages.

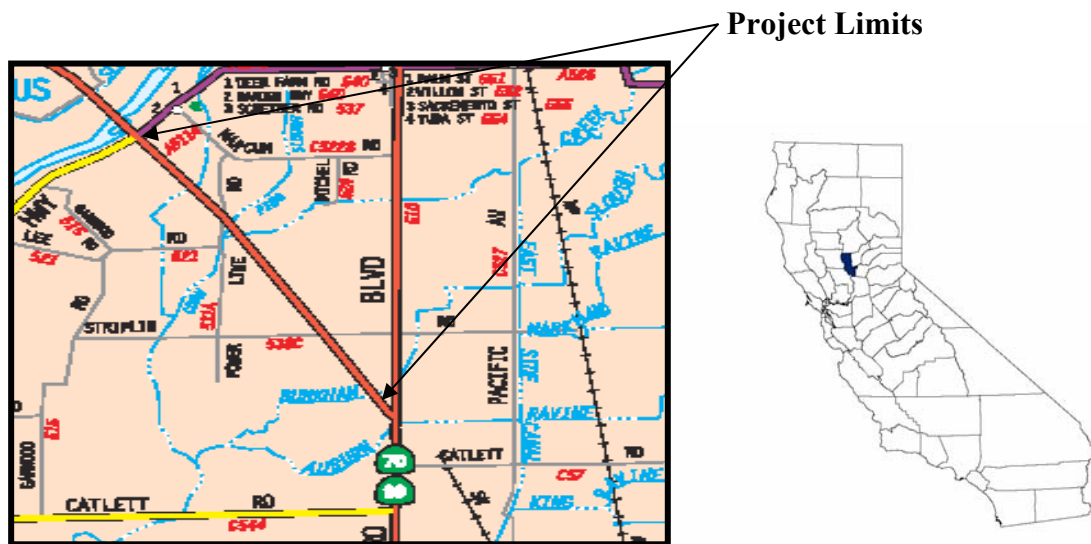
SUMMARY AND CONCLUSIONS:

This resolution allocates State funds totaling \$12,000,000 for one new major construction project that is included in the 2004 State Transportation Improvement Program (STIP). The project has construction costs that exceed, by more than 20 percent, the programmed amount of \$8,500,000.

Project # Allocation Amount Recipient <u>RTPA/CTC</u> County Dist-Co-Rte Postmile	Location Project Description Project Support Expenditures	EA PPNO Program/Year PA&ED PS&E CON ENG CONST	Budget Year Item # Program Codes	Allocation Amount State Federal Total Amount
2.5d	Allocations for Projects with Cost Increases Greater than 120 Percent			Resolution FP-05-78
1 \$12,000,000 Department of Transportation <u>SACOG</u> Sutter 03N-Sut-99 8.7/11.7	Near Yuba City at the Route 70 junction to Garden Highway. Widen to 4 lanes with a continuous left-turn lane Final Project Development IIP Support Estimate: \$2,024,000 Programmed Amount: <u>\$1,556,000</u> Adjustment: \$ 868,000 (Debit IIP)	1A4310 03-8361A RIP / 05-06 \$0 \$0 \$169,000 \$1,557,000 \$2,187,000	2005-06 801-3008 20.20.075.600	\$2,187,000
	Final Right-of-Way IIP Right-of-Way Estimate: \$616,000 Programmed Amount: <u>\$470,000</u> Adjustment: \$146,000 (Debit IIP)	IIP / 05-06 \$0 \$0	2005-06 801-3008 20.20.025.700	\$9,813,000 \$12,000,000
	Final Right-of-Way RIP Right-of-Way Estimate: \$482,000 Programmed Amount: <u>\$370,000</u> Adjustment: \$112,000 (Debit RIP)	\$1,031,000 \$6,943,000 \$9,813,000		
	(Programmed amount for Construction has been increased by \$3,500,000 to account for cost increase; \$630,000 of RIP and \$2,870,000 IIP) This increase has been programmed in the 2006 STIP.			
	(Contributions from other sources: \$500,000.)			

RECOMMENDATION:

The Department recommends that this request for \$12,000,000 be approved to allow this project to be advertised.



PROJECT DESCRIPTION:

This project is located on Route 99, in Sutter County, near Yuba City between the Route 99/70 junction and the Garden Highway. This project will widen Route 99 to 4 lanes with a continuous left-turn lane.

FUNDING STATUS:

The project is currently programmed in the 2004 STIP for \$8,500,000. This request for \$12,000,000 will result in an increase of \$3,500,000 (41%) above the programmed amount. This project is scheduled for advertisement in May 2006.

REASON FOR INCREASE:

The project was ready to list (RTL) on June 29, 2005, but has been on hold due to Sacramento Area Council of Government's (SACOG) air quality conformity lapse. During that time, there has been substantial cost increases (\$3,500,000) due to material price escalation. The majority of the cost increases are related to asphalt concrete (\$1,750,000) and earthwork (\$500,000). The balance of the increase is spread across all the other construction items.

The project was amended into SACOG's Federal Transportation Improvement Program (FTIP) on March 16, 2006, and approved by the Department on April 13, 2006. SACOG's air conformity lapse is expected to be lifted by the end of April 2006, contingent upon Federal Highway Administration (FHWA) and Environmental Protection Agency (EPA) approval.

FUNDING OPTIONS

OPTION A: Approve this request as represented above for \$12,000,000 to allow this project to be advertised.

OPTION B: Deny this request and direct the Department to down scope the project to remain within the programmed amount. Reducing the scope and executing another project will result in overall higher costs and more disruption to traveling public

RECOMMENDED OPTION

The Department recommends Option A.